

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 02 TEL AVIV 006407

SIPDIS

E.O. 12958: DECL: 12/16/2014

TAGS: [KWBG](#) [PGOV](#) [PREL](#) [IS](#) [GOI](#) [INTERNAL](#) [ISRAELI](#) [PALESTINIAN](#) [AFFAIRS](#) [GAZA](#) [DISENGAGEMENT](#)

SUBJECT: PERES TELLS CODEL BLUNT IMPORTANT FOR U.S. TO

SUPPORT PALESTINIANS NOW

Classified By: Ambassador Daniel Kurtzer for reasons 1.4 (b,d).

1. (C) Summary: In a December 13 meeting, Labor Party leader Shimon Peres told Codel Blunt that he hoped Likud and Labor would form a new coalition to avoid early elections and the consequent postponement of implementation of Gaza disengagement. Peres noted that with Yasser Arafat's death and the upcoming Palestinian elections, an important opportunity exists to advance the peace process. He stressed the importance of international and, in particular, USG assistance to the Palestinians, including economic aid. End summary.

2. (U) Codel Blunt consisted of Representatives Roy Blunt, Steny Hoyer, Mark Kirk, Tom Cole and Ben Cardin, who were accompanied by staffers Brian Gaston, Brian Diffell, and Geoff Plague, as well as military escorts Colonel Randy O'Boyle and Captain Eugene Barlow. Ambassador Kurtzer and poloff notetaker attended the meeting.

Coalition: So Close

3. (C) Labor Party leader Shimon Peres told Codel Blunt December 13 that he "hopes" Likud and Labor find a way to form a unity government to avoid early elections. Peres noted that holding early elections would be "a tragedy" since this would delay implementation of the disengagement plan by months. Peres stressed that "2005 should be devoted to policies, not politics." Without Labor in the coalition, Peres said, Sharon would not have a majority to support disengagement.

Peres on the PA Leadership, Obstacles to Peace

4. (C) Peres stressed that Yasser Arafat's death presented a "rare" opportunity, and that a positive Palestinian leadership could emerge. He noted that this leadership would face the challenge of working as a team and establishing credibility with the Palestinian people. He said that, to further the peace process, three obstacles would need to be overcome: the status of Jerusalem, the Palestinian refugees' right of return to Israel, and borders. Peres advocated postponing negotiations on the status of Jerusalem, as the "current climate" is not conducive to resolving the issue. Peres also said that the Palestinian leadership is not "ready" to give up the right of return. He advocated the establishment of a viable Palestinian state before attempting to resolve this issue. Peres opined that the issue of borders is something that could be resolved, but he added that Palestinian leaders such as Abu Mazen and Abu Ala'a would need to take tough positions to prove themselves to the Palestinian public. Peres said that Sharon has lost his reason for unilateralism with the death of Arafat.

Palestinians Need Help

5. (C) Israel will be leaving the Palestinians "in a terrible economic situation" once it withdraws from Gaza, Peres said. Peres advocated that a reconstruction campaign be mounted in Gaza and suggested that the USG ask Saudi Arabia to provide greater assistance to the Palestinians. He opined that the Saudis could use their oil revenues to cover the cost of such assistance. Peres underlined that the Palestinians need to see advantages of disengagement, including an improved economy. He suggested that the U.S. and the EU consider including the Palestinians within free trade zones. Gaza needs assistance addressing its water needs and with modernizing its agriculture, Peres added. "They are on the verge of starvation," Peres stressed. "We cannot allow poverty to replace occupation," he said.

6. (C) Peres advocated Israeli withdrawal from all Palestinian cities in preparation for Palestinian elections. Peres stressed that the new leadership will need to ensure a transparent financial system and a unified security force after the elections. In response to the Codel's query, Peres opined that PA chief negotiator Saeb Erekat -- with whom the Codel would meet later that day -- is "reasonable, democratic, and means well" but that "he is not a top

leader." Peres referred to Marwan Barghouti, who was convicted in Israel of terrorist acts, as "a pain in the neck" and not in the same class as Abu Mazen. He expressed relief that Barghouti decided to support Abu Mazen in the upcoming elections instead of running himself. Peres stressed that USG support for the Palestinian elections and its new leadership is "very important." Peres noted that Abu Ala'a and Abu Mazen were currently traveling in the Arab world to raise support for the PA.

17. (U) Codel Blunt did not clear this message.

Visit Embassy Tel Aviv's Classified Website:
<http://www.state.sgov.gov/p/nea/telaviv>

You can also access this site through the State Department's
Classified SIPRNET website.

KURTZER